

**GERLACH GREEN ENERGY, LLC  
APPLICATION FOR PERMIT TO DRILL  
GEOTHERMAL PRODUCTION WELL 68-3  
SECTION 3, T32N, R23E, MDB&M  
GERLACH KGRA  
BLM Geothermal Lease NVN-075228  
BLM Environmental Assessment NV-020-06-EA-12**

**Conditions of Approval**

1. This approval is contingent upon the lessee/operator being in receipt of and in compliance with all appropriate state and local permits.
2. GGE must notify the three rights-of-way holders that will be affected by the proposed action, and inform them of GGE's proposed activities. GGE must notify the rights-of-way holders in writing a minimum of 14 days prior to beginning activities across the rights-of-way, and must send the BLM Winnemucca Field Office copies of the correspondence. It is GGE's responsibility to coordinate with the other authorized users to resolve conflicts, and to inform BLM of the ongoing coordination activities.
3. "No Through Access" signs must be located on the access road to prevent recreational vehicles from attempting to utilize the access road as a means of entering the playa.
4. The lessee/operator must abide by the Lease Terms, Lease Stipulations, Conditions of Approval, and all environmental protection measures and mitigation measures included in the Applications for Permits to Drill and Operations Plan.
5. Prior to entering the Project area, all trucks and construction equipment shall be washed to remove soil and plant parts. A central washing facility will be provided for this purpose at a location approved by the authorized officer. The washing station will not be placed within 150 feet of any body of water or ditch line, nor where the wash water can flow down slope.
6. GGE must monitor the hot spring west of the County paved road and the Great Boiling Spring, unless access is denied by the private landowners and GGE provides to BLM documentation from the private landowner that access for monitoring has been denied. Baseline data must be collected one week prior to beginning the drilling operations. Monitoring data must be collected once a week during the drilling phase of the operations and daily during the testing phase of the operations. Baseline and monitoring data must include: photographs, temperature, flow rate, pH, and specific conductivity. All data must be submitted to BLM, Nevada State Office and Winnemucca Field Office. GGE must also conduct visual inspections of the three seeps in order to detect changes in the seeps. Alternatives for monitoring this data may be requested by BLM.

7. When cultural or paleontological resources, including but not limited to historic ruins, prehistoric artifacts and fossils, are discovered in the performance of the permit, the resources shall be left intact and immediately brought to the attention of the BLM authorized officer.
8. Pursuant 43 CFR 10.4(g) the holder of this authorization must notify the authorized officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary objects, sacred objects, or objects of cultural patrimony (as defined at 43 CFR 10.20). Further, pursuant to 43 CFR 10.4(c) and (d), the lessee/operator shall immediately stop all activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the BLM authorized officer.
9. No hazardous materials shall be used during any phase of the operations unless prior approval has been obtained from the BLM authorized officer. All onsite drilling materials and chemicals shall be properly stored to ensure the prevention of spills. No chromate or other heavy metals or environmentally harmful additives will be used.
10. No chemicals, fuels, oils, lubricants, or noxious fluids shall be disposed of at the drill sites, in the reserve or flow pits or down the wells.
11. If any chemicals, fuels, oils, lubricants, and/or noxious fluids are spilled during drilling operations, they shall be cleaned up immediately. The lessee/operator shall have absorbent on site for spill containment. After clean up, the chemicals, fuels, oil, lubricants and/or noxious fluids and any contaminated material shall be removed from the drill site and disposed of at an approved disposal facility.
12. The lessee/operator shall be responsible for all cost associated with any releases of chemicals and/or subsurface fluids resulting from their operations and practices.
13. Material Safety Data Sheets for all drilling mud components are to be provided to the Hazmat coordinator at the Winnemucca Field Office.
14. The reserve pit shall be fenced on three sides during drilling. Upon completion of the drilling operation, when the site is unoccupied, the fourth side shall also be fenced until reclamation is complete.
15. Portable chemical toilets shall be used for human waste. The human waste shall not be buried on site.
16. All equipment and machinery shall be equipped with spark arresters and mufflers.
17. The lessee/operator shall be responsible for all suppression costs for any fire resulting from their operations and practices.
18. Trash and other debris shall be contained onsite and then hauled to an approved landfill. Burial and/or burning onsite shall not be permitted.

19. Except where otherwise noted, all test equipment, both surface and subsurface, shall be removed at the completion of this drilling and testing, as well as all other debris associated with this exploration.
20. Project sites must be inventoried by GGE for the presence of invasive, nonnative species and treated with BLM certified pesticides following BLM approval of a pesticide use proposal if species are present
21. The lessee/operator shall be responsible for controlling all noxious weeds and other undesirable invading plant species in the disturbed operating and reclaimed area until the revegetation activities have been determined to be successful and accepted by the BLM authorized officer. The lessee/operator shall obtain approval from the BLM authorized officer for any application of herbicide, and the request must include descriptions of the types and quantities. Unless certified weed free seed is procured for the reclamation of this project, all seed shall be tested for purity, noxious, poisonous and or prohibited plant species, and the test results submitted to and approved by the BLM authorized officer.
22. The road to be constructed, improved or reclaimed as part of the Project would be reviewed by the BLM and required to conform to the requirements of BLM Manual 9113 and the "Gold Book" ("Oil and Gas Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development"), as applicable to the intended Project use.
23. A minimum of 12 inches of topsoil would be salvaged during construction, and stockpiled for use during subsequent reclamation of the disturbed areas.
24. Wellhead equipment left on the drill site following the completion of drilling must be painted a color, subject to approval by the Authorized Officer, that would blend with the landscape. Prior to painting, GGE must contact the Winnemucca Field Office project lead.
25. If the well is successfully completed, the drill pad shall be reduced in size to only that necessary for production or observation operations. This shall be implemented within one year of the well's incorporation into the production or observation system.
26. If the well will be sitting idle for longer than one year, the well pad shall be scarified and seeded with the recommended seed mix.
27. Upon abandonment of the well, the following shall be done:
  - a. The well shall be plugged to comply with all Federal and State of Nevada regulations.
  - b. All reclamation of disturbed areas shall be completed within one year from the date of proper plugging and abandonment of the well. Any constructed road, drill pad and reserve pit shall be recontoured to original grade, salvaged topsoil spread on the disturbed area and the site scarified. The disturbed area shall be seeded by hand broadcasting or drilling with the BLM recommended seed mixture. The area shall be

raked or dragged to cover the seed if broadcast seeding is used. The BLM Winnemucca Field Office shall be notified in writing when reclamation operations commence and are completed.

- c. Seeding of disturbed areas must be completed using the following seed mixture and application rate. Any variance in the mix must be coordinated first with the BLM Winnemucca Field Office.

Species	PLS LBS./Acre	Bulk LBS./Acre	PLS/sq. ft.
Black greasewood	3.00	5.00	12
Inland saltgrass	3.00	4.00	33
Alkali sacaton*	0.50	0.75	20
Totals	6.50	9.75	65
*extremely small seed PLS = Pure Live Seeds			